



Colchester Housing Needs Assessment

Preliminary Report: Existing Conditions

December 2004

**Prepared for the
Colchester Planning Commission**



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Funded through a grant from the Vermont Municipal Planning Grant Program

COLCHESTER HOUSING NEEDS ASSESSMENT: PRELIMINARY ANALYSIS OF EXISTING CONDITIONS

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Overview

This memo is intended to provide an overview of Colchester's current housing situation based on available data and studies – including analyses of local population, employment, household and housing trends in relation to their regional context. This information will be used, in association with public forum and focus group results, to identify and address existing and anticipated housing needs, and also potential barriers to housing development within the community. A final report will include an analysis of current programs and policies, and related recommendations for addressing identified housing needs.

Regional Context: Recent Housing Studies

Local housing needs are commonly identified and addressed within a regional context. While some housing demand is certainly generated locally, as noted in the 2003 Colchester Housing Report prepared by staff: "The pressure for additional housing in Chittenden County, and the larger northwest Vermont region, will undoubtedly spill over into Colchester" (p2). Several recent studies have concluded that job growth in northwestern Vermont has stimulated migration into the area, which in turn has increased housing demand throughout the region (see references). Related findings are highlighted below:

Housing Demand

- Housing development has lagged behind demand for several years, resulting in a regional housing shortage that extends throughout northwestern Vermont.
- Increased housing demand is the result of job growth that has resulted in a net-in-migration of workers.
- Regional growth is expected to continue. Available economic forecasts indicate that the region will likely continue to experience significant economic and population growth, which will increase the demand for housing.
- A strong regional economy, as projected over the next decade, may stimulate significant demand for housing that will not be met at the current rate of housing development.
- The regional population continues to age, and household sizes continue to decrease, which also will result in the need for additional housing units.
- EPRI, in 2000, initially forecasted the need for 12,654 additional housing units in Chittenden County by 2010 to meet anticipated demand.

Housing Costs

- Rising housing costs are due in large part to the lack of supply.
- Most housing that is currently being built is "high-end" housing; sales prices for condominiums have increased faster than for single-family homes.
- Factors cited for the lag in housing development include the high cost of land; time-consuming, costly and uncertain permitting processes; regulations that overly limit the types and densities of allowed residential development; and the lack of infrastructure to support higher densities of development (e.g., sewer, water, storm water, roads).
- High housing costs are affecting businesses' ability to recruit and retain workers.

Housing Affordability

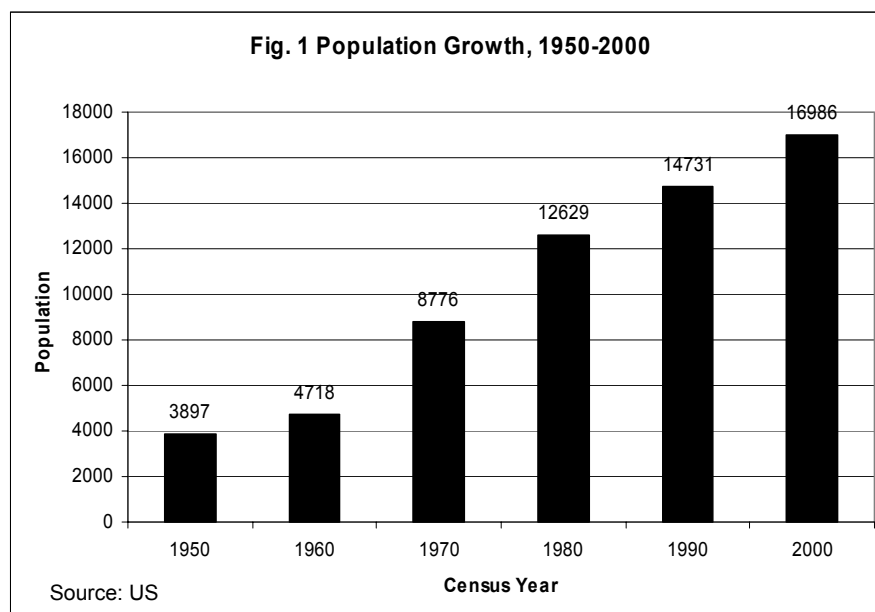
- Regional economic growth, an inadequate housing supply, and an aging population will likely result in rising housing costs and reduced affordability over the next decade – particularly for low and moderate income households who have fewer housing choices.
- The cost of housing is rising; wages and income have not kept pace.
- Many households are already paying more than 30% of their household income on housing costs.
- Recent job growth (1990-2000) – especially in the retail sector–has been highest in suburban communities such as Williston and Colchester; wages in these areas, however, grew at below-average rates.
- The “housing wage” in the Burlington MSA – the income necessary to afford fair market rent on a modest two-bedroom apartment– is currently \$16.35 per hour, or \$34,008 per year.
- Over the decade, more than 50% of projected growth in owner households, and 75% in renter households, will occur in income categories which generally require housing assistance.
- To find affordable housing, many Vermonters must live farther from their jobs.
- Affordable housing stock remains concentrated in Burlington and Winooski rather than in towns that have generated the majority of low-wage jobs. As a result, many new employees working in suburban establishments cannot afford to live in the towns where they work.

Local trends for Colchester, as presented below, will be considered in relation to these regional trends as appropriate.

Population Trends

Population Growth

Colchester’s year-round population grew dramatically in the 1960s – a period in which it nearly doubled – and has been increasing steadily ever since (Figure 1). The overall rate of growth, however, has slowed as the population base has expanded. During the 1980s and 1990s, the local population grew by an average of 218 persons per year, compared with an average of 395 persons per year during the preceding 20-year period.



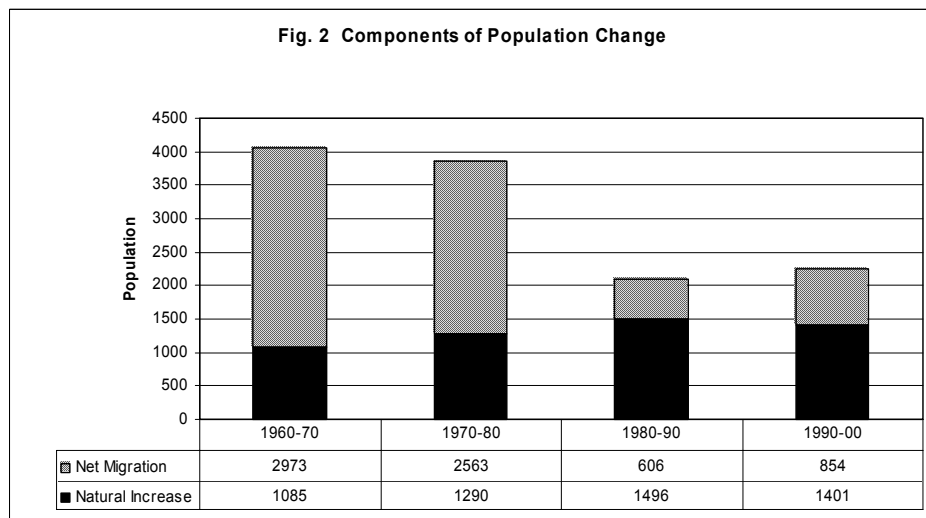
As of the 2000 US Census (April 1), Colchester's population numbered **16,986** – representing nearly 12% of Chittenden County's total year-round population (Table 1). The local population likely surpassed 17,000 later in 2000. The town's year-round population is the third largest in Chittenden County (behind Burlington and Essex) and, as of 2003, also the third largest in the state.

Because it has been growing at a faster rate than that of the county (and state) for several decades, its relative share of Chittenden County's total population has also increased steadily. The town's share of county overall growth, however, has declined – from 23.5% in the 1970s to 15.3% in the 1990s – coinciding with the decline in the local growth rate. During the 1990s, Colchester was the 7th fastest growing municipality in the region (excluding Buels Gore), but ranked second only to Williston in absolute population growth.

Table 1. Comparative Population Growth in Chittenden County 1970-2000										
Population					Change					
					1970-80		1980-90		1990-00	
	1970	1980	1990	2000	(#)	(%)	(#)	(%)	(#)	(%)
Colchester	8776	12629	14731	16986	3853	43.9%	2102	16.6%	2255	15.3%
Bolton	427	715	971	971	288	67.4%	256	35.8%	0	0.0%
Buels Gore	10	9	2	12	-1	-10.0%	-7	-77.8%	10	500.0%
Burlington	38633	37712	39127	39815	-921	-2.4%	1415	3.8%	688	1.8%
Charlotte	1802	2561	3148	3569	759	42.1%	587	22.9%	421	13.4%
Essex	10951	14392	16498	18626	3441	31.4%	2106	14.6%	2128	12.9%
Hinesburg	1775	2690	3780	4340	915	51.5%	1090	40.5%	560	14.8%
Huntington	748	1161	1609	1861	413	55.2%	448	38.6%	252	15.7%
Jericho	2343	3575	4302	5015	1232	52.6%	727	20.3%	713	16.6%
Milton	4495	6829	8404	9479	2334	51.9%	1575	23.1%	1075	12.8%
Richmond	2249	3159	3729	4090	910	40.5%	570	18.0%	361	9.7%
St. George	477	677	705	698	200	41.9%	28	4.1%	-7	-1.0%
Shelburne	3728	5000	5871	6944	1272	34.1%	871	17.4%	1073	18.3%
So. Burlington	10032	10679	12809	14888	647	6.4%	2130	19.9%	2079	16.2%
Underhill	1198	2172	2799	2980	974	81.3%	627	28.9%	181	6.5%
Westford	991	1413	1740	2086	422	42.6%	327	23.1%	346	19.9%
Williston	3187	3843	4887	7650	656	20.6%	1044	27.2%	2763	56.5%
Winooski	7309	6318	6649	6561	-991	-13.6%	331	5.2%	-88	-1.3%
Chittenden Co.	99131	115534	131761	146571	16403	16.5%	16227	14.0%	14810	11.2%
Vermont	444330	511456	562758	608827	67126	15.1%	51302	10.0%	46069	8.2%
Colchester % County	8.9%	10.9%	11.2%	11.6%	23.5%		13.0%		15.2%	
Source: U.S. Census.										

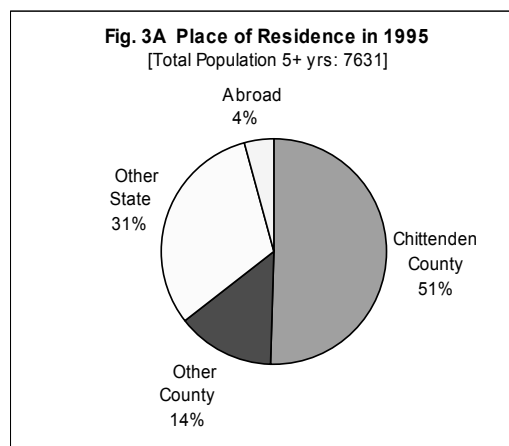
Estimates of Colchester's 2003 population vary – according to Vermont Health Department estimates, the population last year declined, dropping below 17,000 (to 16,960). Federal estimates, on the other hand, suggest that the town's population has continued to increase since 2000, reaching 17,175 in 2003.

Table 2. Colchester Population Estimates, 2000-2003						
	2000	2001	2002	2003	Change 2000-03	
					(#)	(%)
VT Health Dept (Apr 1)	16986	17101	17245	16960	-26	-0.2
US Census (year end)	17025	17105	17128	17175	150	0.9



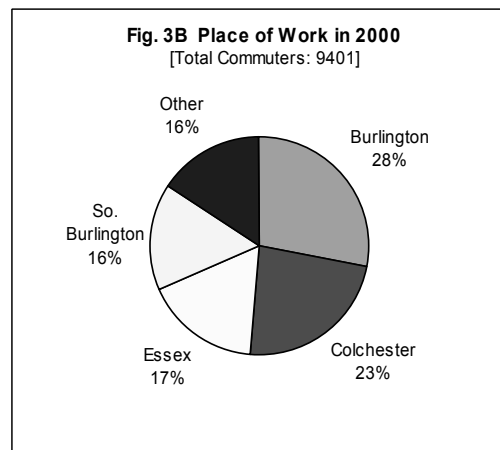
Components of Change. Local population growth during the 1960s and 1970s was due largely to in-migration – people moving into town – which, as expected, coincided with a period of strong housing growth. Since 1980, the town’s population growth has resulted more from a natural increase in the population (more births than deaths) than in-migration. Even so, during the 1990s, 38% of Colchester’s population increase was due to an influx of new residents. This suggests that local population growth may be contributing to an increased demand for housing, and that new housing development in town is also resulting in local population growth.

Migration Patterns. 2000 U.S. Census data also indicate that, in 1995, 48% of Colchester’s residents over the age of five lived somewhere else. Of these residents, 51% had moved to their current home in Colchester from elsewhere in Chittenden County (Fig. 3A). This suggests that there has been turnover in the year-round housing market, and that the local market is being affected by regional migration largely within, but also from outside, the county. The median year for homeowners moving to town was 1992 and, for renters, 1998 – confirming the expectation that the renter population is more transient.



Commuting Patterns. In 2000, only 23% of Colchester’s commuting population worked in town, however most Colchester commuters (98%) worked in Chittenden County. This suggests that employment growth elsewhere in the county has contributed to local population and housing growth (Fig. 3B).

Of the 7,967 commuters working at jobs in Colchester, 79% lived within Chittenden County, including those Colchester residents who worked in town.



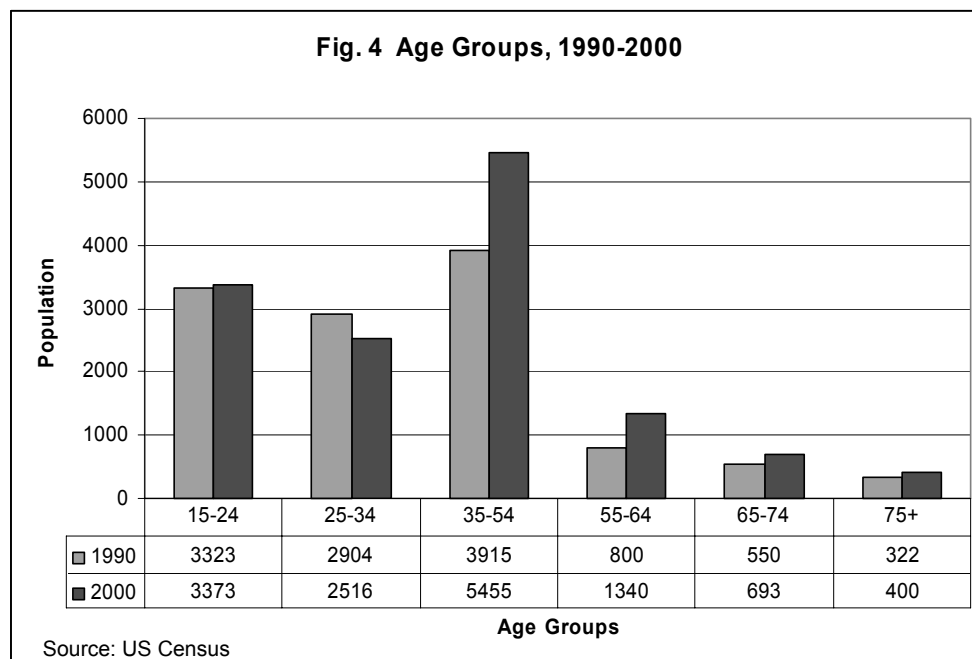
Population Characteristics

Group Quarters Population. Colchester’s resident population, for census purposes, includes both people living in households (the household population), and those living in institutional or other group living arrangements (“group quarters”). The local group quarter’s population is made up entirely of college students living in dormitories or other college housing. There currently are no nursing homes, correctional facilities, or other forms of institutional housing reported in town.¹ The town’s student housing population has increased roughly in proportion to the overall population in recent decades, and continues to represent around 10% of the total.

Table 3. Group Quarters Population 1980-2000			
	1980	1990	2000
Population	12629	14731	16986
Group Qtrs	1268	1493	1624
% Total	10.0%	10.1%	9.6%
Source: US Census			

Age Groups. Colchester’s population, like most of Vermont’s population, is aging, resulting in shifts in its demographic profile that may also affect housing demand. For housing assessment purposes, the following age groups are often considered in relation to potential housing needs:

15-24 yrs	Echo Boomers – starting to show up in housing market; may increase demand for rental housing, including apartments and other shared (non-family household) arrangements
25-34 yrs	Young Households – increase demand for rentals and affordable starter homes
35-54 yrs	Baby Boomers – largest group in housing market, highest median incomes, looking to “buy up” in the market or renovate and expand their homes
55-64 yrs	Empty Nesters – changing housing needs, may be looking for smaller units requiring less maintenance, including active retirement communities, condominiums
65+ yrs	Seniors – retired, often on fixed incomes; more single person households; increase demand for rental, retirement and assisted living arrangements.



During the 1990s, the greatest increase in Colchester’s population was in the 35-54 age group – the group most likely to “buy up” to larger and more expensive single family homes, or to remodel their existing homes. It also appears that “Echo Boomers” (including college students) were starting to enter the

¹ Residents of the Green Mountain Nursing Home, on the Colchester/Essex line, were recorded in Essex in 2000.

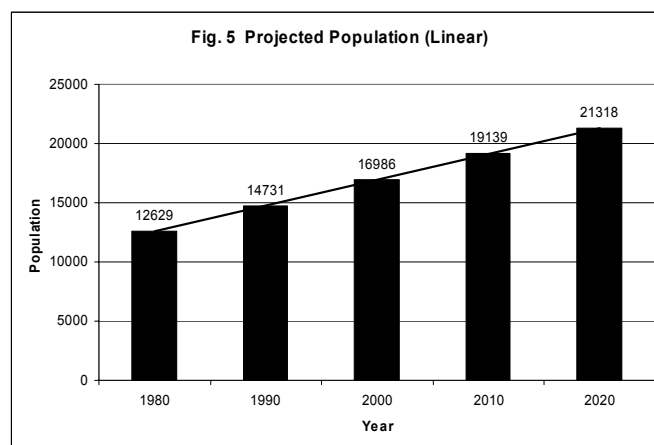
housing market. These shifts, if they continue through the current decade, suggest that the local demand for rental units and starter homes, smaller “empty nest” single family and condominium units, and retirement and senior housing will increase, while the demand for larger single family homes may begin to decline.

Special Needs Population. “Special needs” populations include people who may require special housing or living arrangements – including elderly, disabled, and low income residents. In 2000:

- 6.4% of Colchester residents where 65 or more years old,
- 6.3% of Colchester residents, 5.4% of local families, and 9.7% of local seniors, lived below the poverty line, and
- 11.4% of the local population between 21 and 64 years, and 32.9% of the population aged 65 or older, reported a disability.

Population Projections

Population projections, particularly for smaller populations, vary according to underlying assumptions and methodologies. Though always suspect, they can be useful for general planning purposes. If Colchester’s population growth continues to follow 20-year trends, a basic linear projection suggests that the local population will surpass 20,000 around 2015, and exceed 21,300 by 2020 (Figure 5).



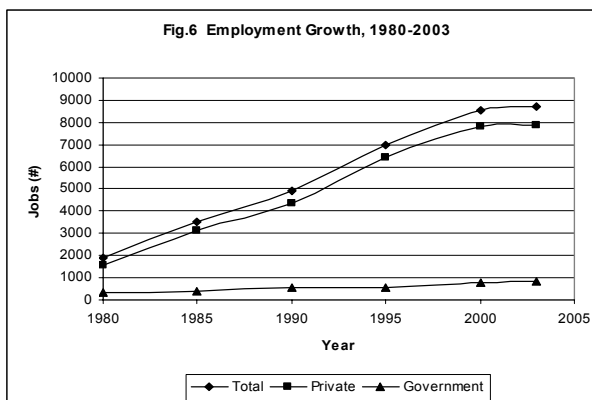
There are no statewide projections in common use. Projections were prepared for Vermont, its counties and municipalities, as part of a larger New England effort, by the Massachusetts Institute for Social and Economic Research (2003). These projections were based on a bottom-up population (cohort-component) model in which fertility, mortality, and migration were projected independently for each municipality. The Chittenden County Regional Planning Commission (CCRPC) also commissioned an updated demographic forecast for Chittenden County, prepared by Economic & Policy Resources Inc. (2001), which was based on a regional economic forecasting model. Available population projections for Colchester through 2020, including linear projections, are presented in Table 4.

	2000	2010	2020	Change 2000-10		Change 2010-20	
				(#)	(%)	(#)	(%)
Linear (Fig 5)	16986	19139	21318	2153	12.7	2179	11.4
EPRI (2001)	16986	19897	23770	2911	17.1	3873	19.5
MISER (2003)	16986	18428	19492	1442	8.5	1064	5.8

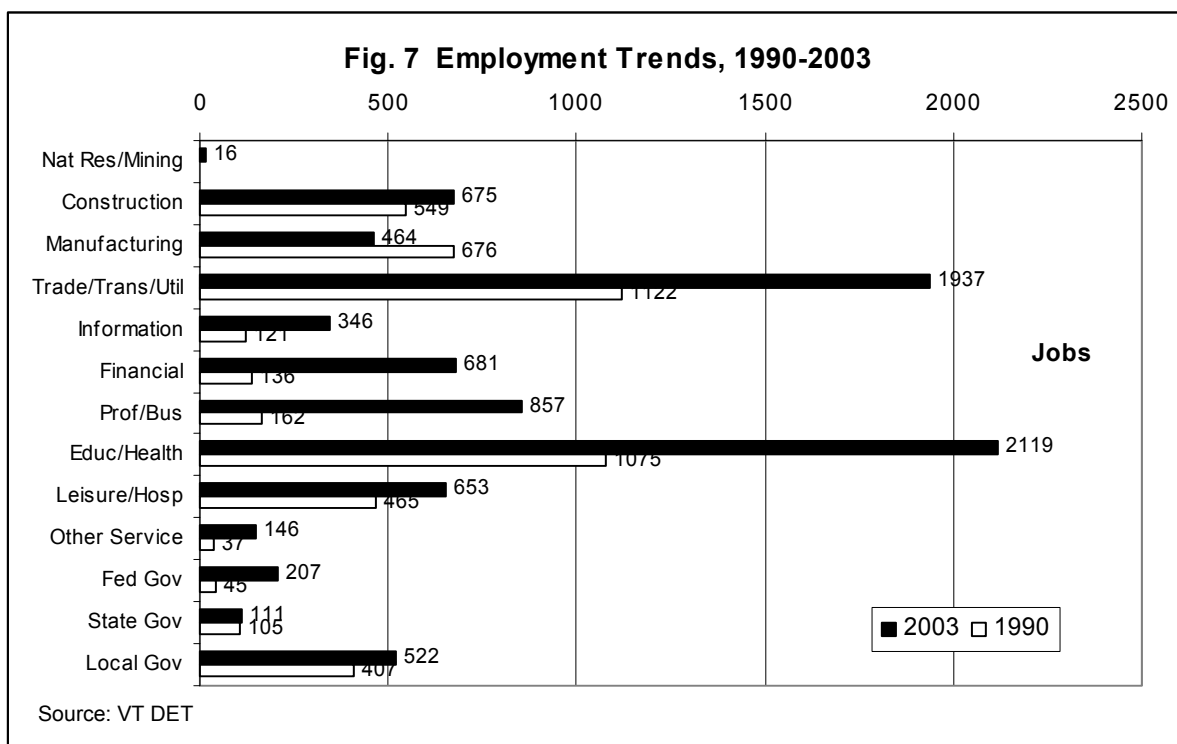
These projections suggest that the town’s population will increase between 1400 and 3000 persons by 2010. According to CCRPC Senior Planner Tim Fluck, who’s currently working with the regional commission’s Regional Housing Targets Task Force, the EPRI projections, do not reflect slow downs in the regional economy since 2000, and are therefore likely overstated. Assuming that the 2003 US Census population estimate for Colchester of 17,175 is accurate, the current rate of growth most closely tracks the linear (mid-range) projection which projects a 2010 population of around 19,100 – or an increase over the current decade of around 2,200 persons, or 220 persons per year.

Employment Trends

Jobs. Population growth trends, particularly at the regional level, are generally driven by employment changes. Chittenden County has enjoyed fairly robust employment growth over the last twenty-five years, almost doubling its employment base between 1978 and 2003 (from 48,398 to 93,533 jobs).² Colchester shared in this growth, increasing from 1,870 jobs in 1978 to 8,734 in 2003. Colchester's share of total county jobs also has increased over time, from 3.9% in 1978 to 9.3% in 2003. Local private sector jobs in 2003 accounted for 9.9% of the county total. Job growth in Colchester has exceeded population growth. The number of jobs per capita increased from 0.15 in 1980 to 0.33 in 1990, to 0.50 in 2000 – indicating that Colchester is becoming part of the employment center of Chittenden County. Local job growth has leveled out somewhat since 2003, reflecting regional trends.



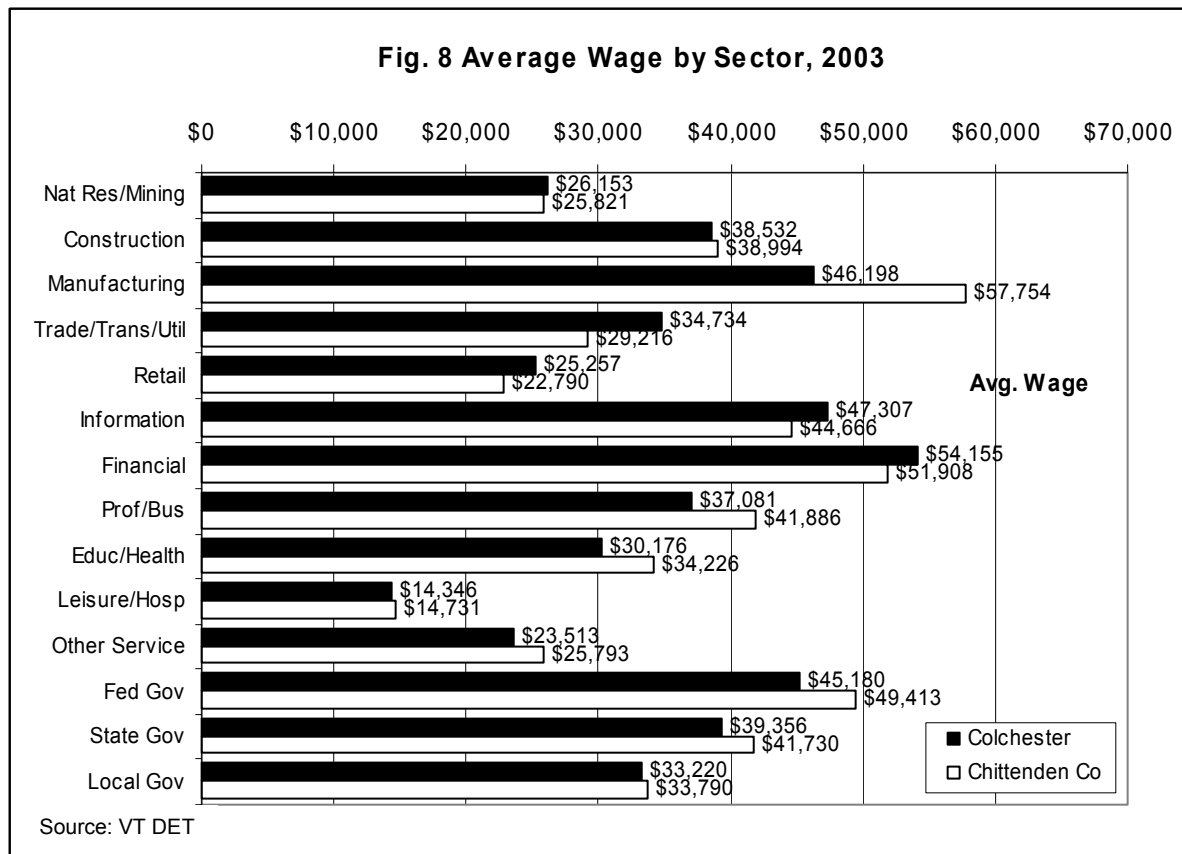
Locally, job growth within the private sector has accounted for nearly all of the employment increase – public sector or government jobs have shown very little growth. Colchester's private sector job growth has been driven by increases in service sector jobs, which very closely track overall job growth. Goods producing jobs, including manufacturing jobs, have actually declined over the years.



Within the service sector, education and health, trade, transportation and utilities, and professional and business services have accounted for most of the job growth. Though government jobs amount to a small part of the employment in Colchester, the number of federal government jobs has increased.

² Employment data are from the Department of Employment and Training as reported by local employers for workers covered by unemployment insurance. Self-employed persons are generally not included, and for these purposes no distinction made between full- and part-time employment.

Wages. While job growth is an important consideration, so are the wages associated with jobs – the primary source of household income. Historically, wages paid locally have lagged behind those in Chittenden County. Over the past twenty-five years local wages have moved closer to county averages, but have not yet caught up with them. Between 1978 and 2003 the average annual salary for all jobs located in Colchester increased from \$9,888 to **\$35,261**. In 1978 the average local wage was 84.7% percent of the county average; in 2003 it was 94.2%.



In the private sector, the average annual wage in goods producing jobs (particularly manufacturing) has consistently been above that for other jobs. Locally, however, wages in other sectors, such as financial and information services, have surpassed manufacturing wages. Colchester’s service sector jobs, overall, have paid a higher average annual wage than the county average since 2000, but still fall short for jobs in the business and professional, education and health, and leisure and hospitality services. In the government sector, the average annual wage for federal and state jobs exceeds the average for all government jobs (\$36,978), while the average for local government (including public school employees) falls well below the average for all government jobs.

Housing Wage. The “housing wage” – the wage needed to afford rent on a modest two-bedroom apartment – was estimated at **\$30,555** (or \$14.69/hr) for Chittenden County in 2003³ – less than the local average. However, many local service sector jobs – including retail, education and health, leisure and hospitality jobs – do not pay enough on average to afford a two-bedroom apartment.

³VT Housing Finance Agency, *Between a Rock and a Hard Place: Housing and Wages in Vermont*, 2003 update.

Household Trends

Household Population. Colchester's household population – which excludes those living in group quarters – increased slightly in relation to the overall population during the 1990s (Table 5). Between 1990 and 2000 the town's total household population increased by 16.1%. As of April 2000, the town's household population numbered **15,362**, representing over 90% of the total. The percentage of local residents living in rental housing also increased slightly over the same period, from 23.8% in 1990 to 25.3% in 2000.

Table 5. Household Population, 1980-2000			
	1980	1990	2000
Total Population	12629	14731	16986
Household Pop	11459	13227	15362
% Total	90.7%	89.8%	90.4%
Owner Household Pop	9235	10078	11480
% Household Pop	80.6%	76.2%	74.7%
Source: U.S. Census			

Household Characteristics

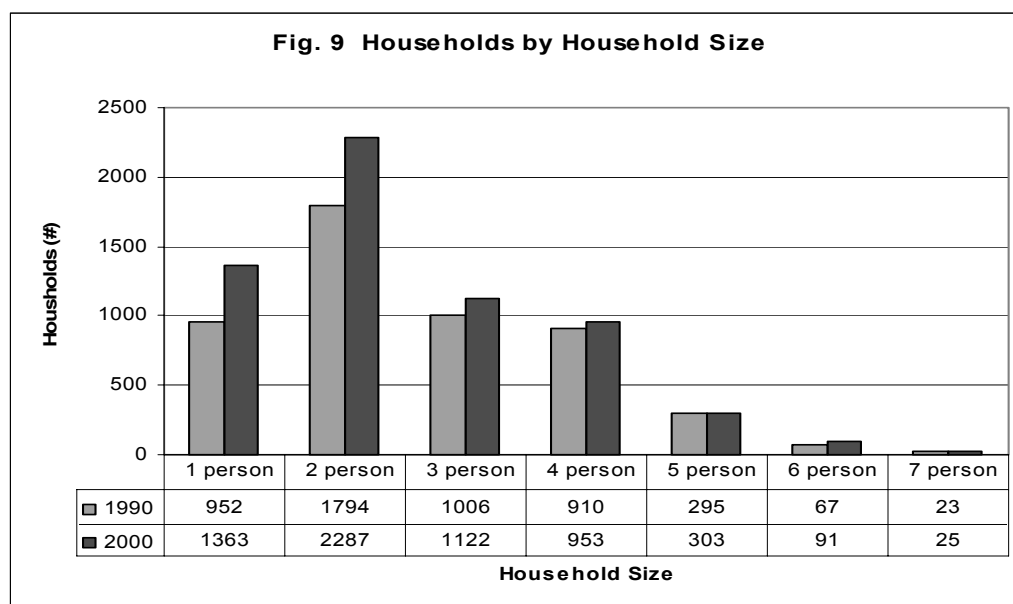
Number. Colchester's households are changing in relation to changing demographics and available housing options (Table 6). As expected, the total number of households increased during the 1990s, in relation to growth in the town's total and household populations. The rate of household formation (21.7%), however, exceeded both the rate of total population growth (15.3%), and household population growth (16.1%) – in large part due to an ongoing decrease in the average household size.

Table 6. Changes in Colchester Households, 1990-2000				
	1990	2000	(#)	(%)
Household Population	13227	15362	2135	16.1%
Owner	10078	11480	1402	13.9%
Renter	3149	3882	733	23.3%
Total Households	5047	6144	1097	21.7%
Owner	3561	4354	793	22.3%
Renter	1486	1790	304	20.5%
Family Households	3548	4187	639	18.0%
w/Children<18 yrs	1983	2095	112	5.6%
Married	2907	3391	484	16.6%
w/Children<18yrs	1534	1566	32	2.1%
Non-family Households	1499	1957	458	30.6%
Living Alone	952	1363	411	43.2%
65+ alone	214	305	91	42.5%
Households w/ Children < 18 yrs	2018	2214	196	9.7%
Households w/ Seniors 65+ yrs	563	832	269	47.8%
Below Poverty Status (Householder)				
Owner	---	160	---	---
Renter	---	219	---	---
Avg. Household Size	2.62	2.5	-0.12	-4.6%
Owner	2.77	2.64	-0.13	-4.7%
Renter	2.27	2.17	-0.1	-4.4%
Source: US Census				

Colchester's average household size – following regional and national trends – continued to decrease, but in 2000 remained slightly larger (2.5) than that of the county (2.47) or state (2.44). Renter households continued, on average, to be smaller than owner households.

Type. Most local households in 2000 were family households, related by blood, marriage or adoption (68.1%) – however, only 25% represented “traditional” family households consisting of married couples with children. This type of household experienced the smallest rate of growth (2.1%) during the 1990s. The number of non-family households – especially the number of single-person households – grew dramatically during the 1990s. Households with seniors increased at a much faster rate (47.8%) than households with children (9.7%). There was less rapid growth in renter households (20.5%) which, by 2000, made up 29% of all households – the same as in 1990.

Size. In 2000, one-person households comprised 22% of all households and 70% of all non-family households. Seniors (65+ yrs) living alone made up 22% of the town’s one-person households. Two-person households also increased during the 1990s (Figure 9). By 2000, smaller one-and two-person households represented 59% of all Colchester households, compared with 54% in 1990. This reflects the continuing decline in average household size, and may affect local demand for smaller housing units.

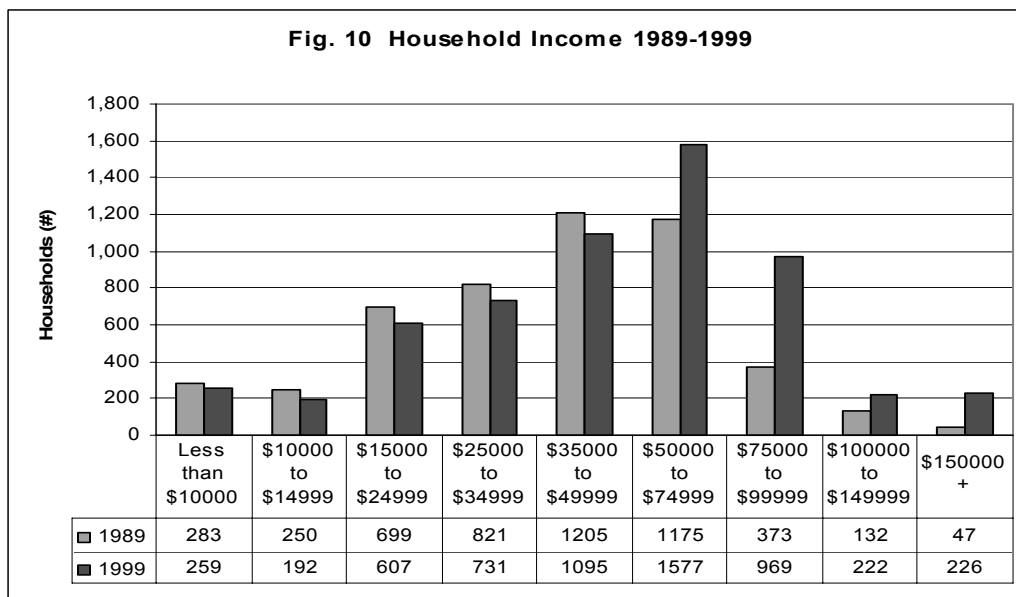


Household Income

The reported median household income in Colchester, unlike average local wages, has been consistently higher than county or state medians for several decades (Table 7). The local median household income, as reported in the US Census, increased by \$21,076 (or 116%) during the 1980s, and by another \$12,121 (31%) during the 1990s. The rate of income growth has fallen off, but in 1999 the median household income was nearly 8% higher than that of the county.

Table 7. Median Household Income, 1979-1999			
	1979	1989	1999
Colchester	\$18,232	\$39,308	\$51,429
Chittenden Co	\$17,569	\$36,877	\$47,673
Vermont	\$14,790	\$29,792	\$40,856
% County	103.8%	106.6%	107.9%
% State	123.3%	131.9%	125.9%
Source: US Census			

The distribution of household income also shifted during the 1990s – the number of households in lower income categories decreased, while those in upper income brackets increased (Figure 10). Households earning between \$75,000 and \$99,999 showed the largest increase.



Also, for Colchester households in 1999:

- 90.7% reported earnings, averaging \$57,887,
- 15.7% reported receiving social security (retirement) income, averaging \$11,396,
- 2.8% reported receiving supplemental security (disability) income, averaging \$6,643,
- 2.9% reported receiving public assistance income, averaging \$2,871, and
- 13.7% reported receiving retirement income, averaging \$14,250.

There are no more recent, reliable estimates of local household income available.⁴ Colchester's 1999 median household income, however, was about the same as federal estimates of median family income for a family of four, for the Burlington MSA. HUD estimates, which are used to determine regional housing affordability, have increased accordingly since then (Table 8).

Table 8. HUD Median Family Income Estimates [Burlington MSA (Family of Four)]					
1999	2000	2001	2002	2003	2004
\$50,800	\$52,300	\$55,600	\$57,400	\$65,600	\$68,800
Source: US Dept. of Housing & Urban Development.					

Household Projections

Based on population projections provided in Table 4 – and assuming that the group quarters population remains at about 10% of the total – the total household population in Colchester may increase by roughly 1,000 to 2,600 persons by 2010 (Table 9).

⁴ The 2002 median adjusted gross income for Colchester (as determined from 7,705 state income tax returns), was \$34,623. This is sometimes cited as a rough estimate of household income but, according to the Vermont Tax Department, is an inappropriate measure of central tendency because it is so dependent on the mix of single and dual incomes within a town. It is now only reported for historical purposes.

Table 9. Comparative Household Population Projections, 2000–2020							
Projection	2000	2010	2020	Change 2000-10		Change 2010-20	
				(#)	(%)	(#)	(%)
Linear (Fig 5)	15362	17225	19186	1863	12.1	1961	11.4
EPRI (2001)	15362	17907	21393	2545	16.7	3486	19.5
MISER (2003)	15362	16423	17543	1061	6.9	1120	6.8

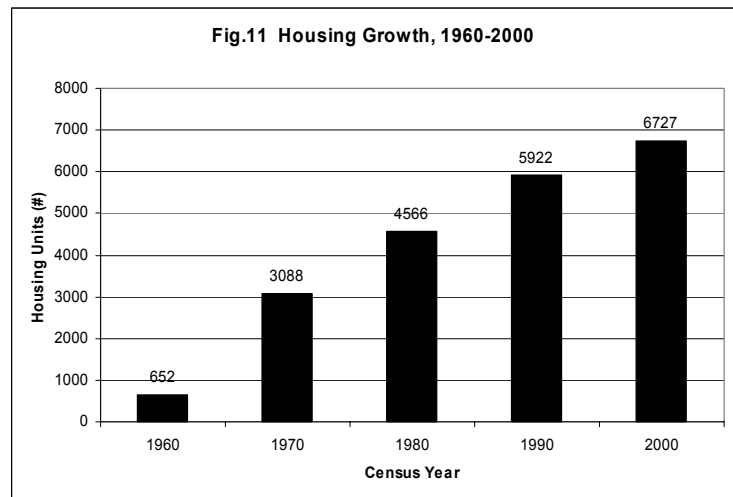
Based on total and household population projections provided above – and assuming that the 2000 average household size (2.5 persons per household) remains constant through 2010 – growth in the town’s household population will result in the creation of between 420 and 1020 new households by 2010 – resulting in the demand for the same number of year-round dwelling units (Table 10). Under the linear projection, 70 to 80 new units per year would be needed.

Table 10. Comparative Household Projections, 2000–2020							
Projection	2000	2010	2020	Change 2000-10		Change 2010-20	
				(#)	(%)	(#)	(%)
Linear (Fig 5)	6144	6890	7674	746	12.1	784	11.4
EPRI (2001)	6144	7163	8557	1019	14.2	1394	19.5
MISER (2003)	6144	6569	6981	425	6.9	412	6.3

Given that the average household size has continued to decrease, the local demand for housing may be slightly higher. This could be met in part through the conversion of existing seasonal to year-round housing, but will more likely be met through new construction locally or elsewhere in Chittenden County.

Housing Trends

Housing Growth. As noted previously, Colchester underwent an extremely rapid period of housing development during the 1960s, growing from a total of 652 dwelling units to 3,055 units by 1970 – an average 243 new dwelling units each year. The growth rate has been declining ever since. During the 1980s the local housing stock grew by an average of 136 dwelling units per year; during the 1990s housing development declined to 80.5 new units per year.



Colchester's share of the county housing stock has slowly increased from 10.1 % in 1970 to 11.4 % in 1990, and held steady at that point through 2000 (Table 11). Also, the town's share of county housing growth declined, from 13.8 % in the 70s to 11.9 % in the 90s. Over the past three decades the town has accounted for 12.9 % of the county's total housing growth. In 2000, Colchester ranked third in the county, behind Burlington and Essex, for total housing units.

Table 11. Comparative Housing Growth in Chittenden County, 1970–2000

					Change					
					1970-80		1980-90		1990-00	
	1970	1980	1990	2000	#	%	#	%	#	%
Colchester	3088	4566	5922	6727	1478	47.9%	1356	29.7%	805	13.6%
Bolton	197	359	543	412	162	82.2%	184	51.3%	-131	-24.1%
Buels Gore	4	8	4	7	4	100.0%	-4	-50.0%	3	75%
Burlington	12025	13763	15480	16395	1738	14.5%	1717	12.5%	915	5.9%
Charlotte	714	1043	1329	1500	329	46.1%	286	27.4%	171	12.9%
Essex	3053	4826	6310	7170	1773	58.1%	1484	30.8%	860	13.6%
Hinesburg	610	1025	1487	1693	415	68.0%	462	45.1%	206	13.9%
Huntington	268	448	622	744	180	67.2%	174	38.8%	122	19.6%
Jericho	635	1079	1489	1774	444	69.9%	410	38.0%	285	19.1%
Milton	1412	2321	3009	3505	909	64.4%	688	29.6%	496	16.5%
Richmond	659	1071	1391	1528	412	62.5%	320	29.9%	137	9.8%
St. George	167	241	274	277	74	44.3%	33	13.7%	3	1.1%
Shelburne	1122	1719	2350	2741	597	53.2%	631	36.7%	391	16.6%
So. Burlington	2879	3972	5437	6501	1093	38.0%	1465	36.9%	1064	19.6%
Underhill	418	751	1013	1088	333	79.7%	262	34.9%	75	7.4%
Westford	263	468	635	750	205	77.9%	167	35.7%	115	18.1%
Williston	908	1284	1874	3036	376	41.4%	590	46.0%	1162	62.0%
Winooski	2246	2403	2926	3015	157	7.0%	523	21.8%	89	3.0%
Chittenden Co	30668	41347	52095	58864	10679	34.8%	10748	26.0%	6769	13.0%
Vermont	165063	223154	271216	294382	58091	35.2%	48062	21.5%	23166	8.5%
Colchester % County	10.1%	11.0%	11.4%	11.4%	13.8%		12.6%		11.9%	

Source: US Census

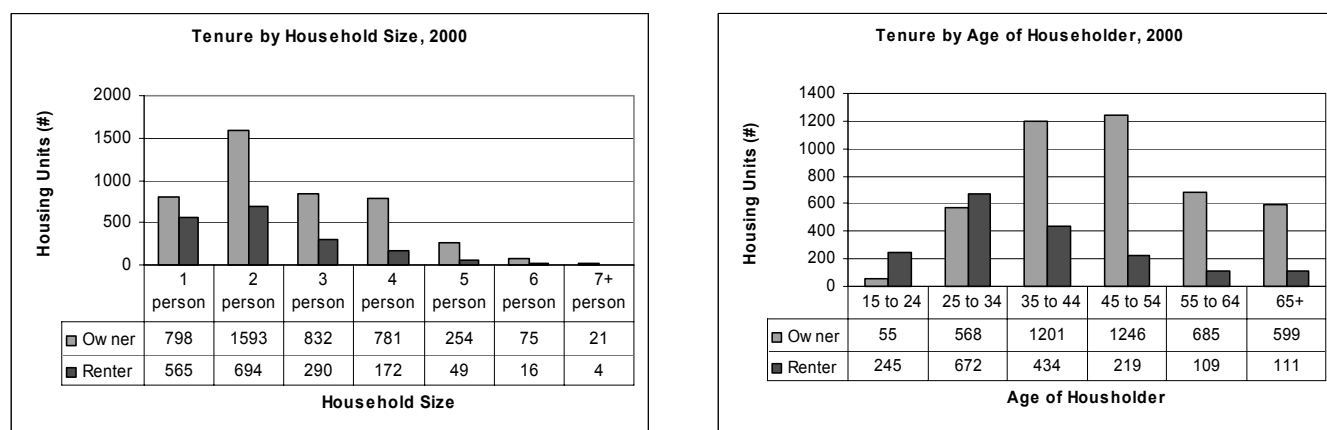
Housing Characteristics

Table 12. Housing Stock, 1990-2000				
	1990	2000	(#)	(%)
Total Housing Units	5922	6727	805	13.6%
Occupied	5047	6144	1097	21.7%
Vacant	875	583	-292	-33.4%
Seasonal	561	468	-93	-16.6%
Owner-occupied	3561	4354	793	22.3%
Renter-occupied	1486	1790	304	20.5%
Owner Vacancy Rate	2.5	0.5		
Rental Vacancy Rate	7.0	2.0		

Occupancy. In 2000, the total number of year-round housing units numbered **6,259**, up from 5,361 in 1990 – an increase of 16.8%. As a lakeshore community, Colchester’s housing stock has long included a relatively high percentage of seasonal homes, though this has been declining. In 2000, seasonal homes made up 7.0% of local housing, down from 9.4% in 1990. In 2000, the town’s seasonal units made up 36.3% of the county total. From census data, there appeared to be a shift of 93 units from seasonal to year-round occupancy during the 1990s. If this is in fact the case, such conversions made up around 8% of the total increase in year-round housing.

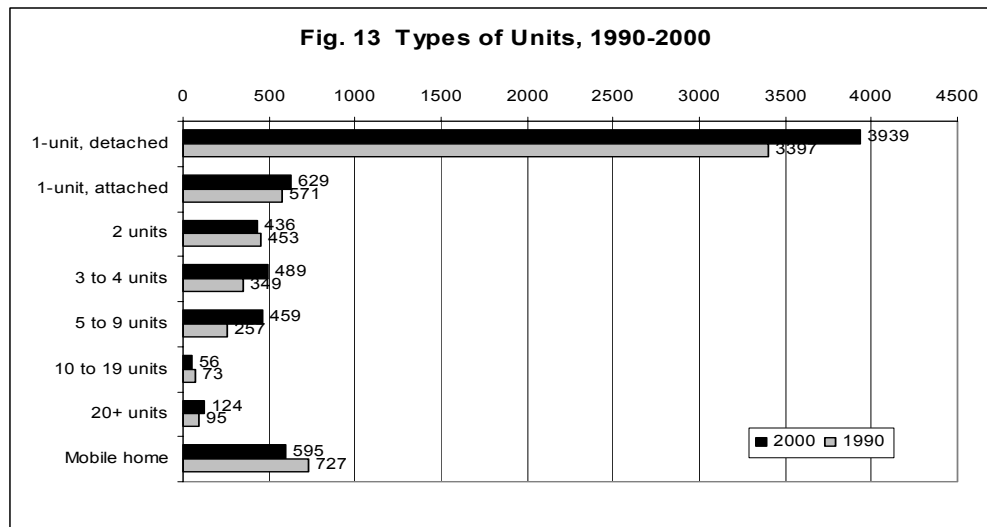
Tenure. Of total year-round housing in 2000, 69% percent was owner-occupied (up from 66% in 1990), 29% was renter-occupied (up from 28%), and 2% was vacant (down from 6% in 1990). As of 2000, Colchester’s total rental housing – 1,826 units (including both occupied and available units) – represented 9.4% of the county’s total rental housing stock. Tenure varied by both household size and age – rental units were more likely to be occupied by younger and/or smaller households.

Figure 12. Housing Tenure

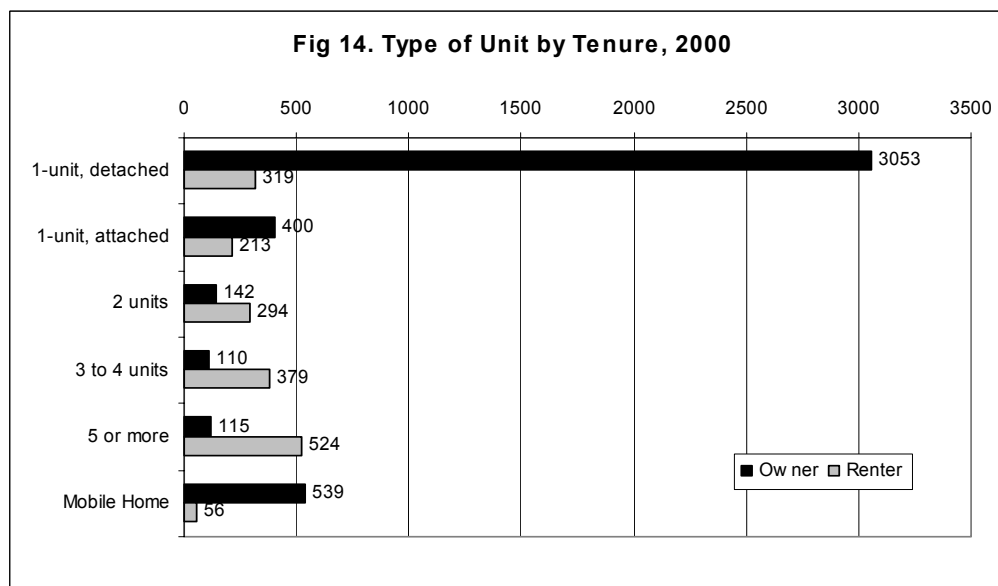


Vacancy Rates. In 2000, there were reportedly 57 vacant housing units available for sale or rent, representing –10.4% of the county total. The local vacancy rates for both owner and renter-occupied housing decreased between 1990 and 2000, reflecting a tightening housing market that tracked regional and statewide trends. The reported 2000 rental vacancy rate for Colchester (2.0%) was slightly higher than that for Chittenden County (1.8%). The reported homeowner vacancy rate (0.5%) was the same. These vacancy rates are indicative of the regional housing shortage – and a seller’s market – that is driving housing costs upward. A stable housing market generally has a vacancy rate of around 3% to 4%.

Housing Types. Of the total 2000 housing stock (year round and seasonal), single family units (detached, attached or condos, and mobile homes) accounted for 77%. This was down from 79% percent in 1990. Detached, single family homes continued to make up the majority (58.6%) of housing in town. It appears that the number of duplexes locally decreased slightly, but the number of smaller multi-family units (structures with 3-9 units) increased. Approximately 2.8% of all units were in structures containing ten or more units, and this ratio did not change over the decade. Of particular note, the number of mobile homes reportedly declined by 28.8% – from 727 in 1990 to 595 in 2000 (Fig. 13).



As anticipated, in 2000 single family and mobile homes were largely occupied by homeowners; while multi-family units were more often occupied by renters (Fig. 14).



Condition. There is very little information on the condition of Colchester's housing stock. The U.S. Census gives some indication of relative age, whether the units contain all plumbing (bathroom) and kitchen fixtures, whether they have a telephone, and whether they contain more than one occupant per room (a measure of crowding).

Table 13. Housing Condition Indicators, 1990-2000				
	Units		Change	
	1990	2000	(#)	(%)
Lacking Plumbing Facilities	27	0	-27	-100.0
Lacking Kitchen Facilities	15	0	-15	-100.0
No phone	62	16	-46	-74.2
>1 Occupant/Room	60	113	53	88.3

It appears that Colchester's housing stock is in good condition according to these traditional measures (Table 13). In 2000, the median age of housing units in town was reportedly 23 years – and nearly 18% had been built within the last 10 years. Of the other measures, only overcrowding increased between 1990 and 2000. In 2000, 1.8% of all occupied units contained more than one occupant per room, up from 1.2% in 1990. No units lacked plumbing or kitchen facilities. In 1990, 1.2% of all occupied units lacked a telephone, but by 2000 this ratio had dropped to 0.3%.

Local Housing Information

According to local permit data, an average of 88 new dwelling units were permitted annually from 2000 to 2003. A further analysis of Colchester's 2003 reassessment data revealed that, as of 2003:

- 5,568 parcels in town contained at least one dwelling unit.
- In total, these parcels contained 6,968 dwelling units.
- Of these, 394 parcels contained seasonal dwellings, accounting for 399 seasonal dwellings – thus **6,556 year-round dwellings** were identified in the 2003 tax files.

As noted, the 2000 census reported a total of 6,259 year-round dwellings. If the 264 units for which permits were issued between 2000 and 2003 are added, the total number of units would be of 6,523 – which is very close (within 0.5%) to the 6,556 units identified in the tax records. Additional findings derived from the 2003 reassessment data are highlighted as follows:

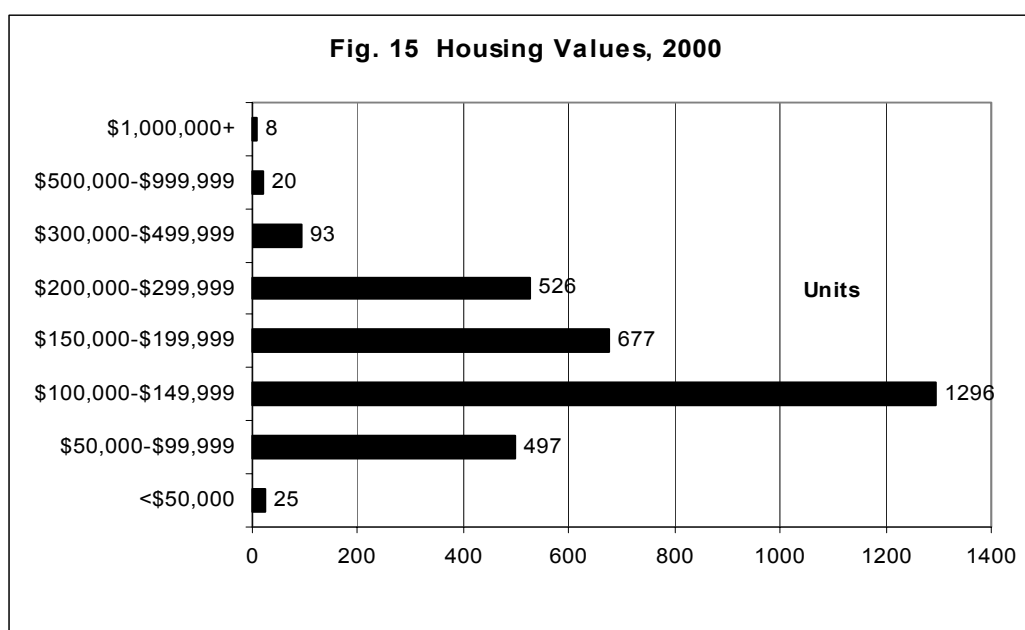
- Of the 6,556 year-round dwellings, 896 (13.7%) were classified as “Commercial” which means the address of the owner is not the property address. These are probably available for rent. Of these, 40 (4.5%) were single family dwellings.
- Of the 6,556 year round dwelling units:
 - 4,745 (72.4%) were single family dwellings
 - 646 (9.9%) were mobile homes, including 628 mobile homes on leased land and 18 mobile homes on owned land,
 - 752 units (11.5%) were residential condominiums (it is impossible to tell whether these units were in one, two or more than two unit structures).
- 3,093 units are on less than 6 acres, and 179 units are on more than 6 acres.
- 177 dwelling units were on parcels owned by religious, charitable, non-profit or otherwise exempt organizations. Of these:
 - There were 21 parcels containing 1-, 2-, or 3-units
 - All but one single unit parcel was owned by St. Michael's College
 - The remaining single unit parcel was owned by Camp Tara and was assessed at zero
 - 148 of the 177 units were on parcels containing more than 10 units.

Housing Values

There are several sources of information regarding the value of dwelling units, none of which provide everything we might like to know. Three commonly used sources are U. S. Census reports (homeowner estimates), tabulations of sales price data (as reported from valid sales), and local assessment data.

Census Values. According to US Census data, the median value of local housing (based on homeowner estimates) increased by about 1.5% annually during the 1990s, from \$120,500 to \$141,300. The value of the local housing stock appreciated at a slightly slower rate than that of the county, but the median reported value remained higher. Nearly 80% of Colchester homes in 1999 were valued below \$200,000.

Table 14. Median Housing Values, 1989-99			
Median Value (Owner Occupied Units)	1989	1999	% Change
Colchester	\$120,500	\$141,300	17.3
Chittenden County	\$117,500	\$139,000	18.3
% County	102.6	101.7	
Source: US Census.			



Sale Prices. Trends in median sale prices for primary dwellings from 1990 through 2003 – as derived from state property transfer tax data – are presented on the following page (Fig. 16). The 1999 figures for single family dwellings are within 5% percent of owner-reported values in the U.S. Census. From this information it appears that local sale prices are closely tracking regional trends. Selling prices have increased markedly for all types of housing since 1999 – and particularly for condo units (Table 15). This is the result the tight housing market and record low mortgage interest rates (Table 15).

Though interest rates – now at around 5.7% for a thirty-year fixed-rate mortgage – are expected to go up in the coming months, Economic Policy and Research Inc. recently projected that housing prices will continue to post double-digit gains through much of 2005.⁵

⁵ As reported in the *Burlington Free Press* article "Report Predicts Rise in Vermont Housing Prices," dated November 10, 2004.

Fig.16 Sales 1990-2003

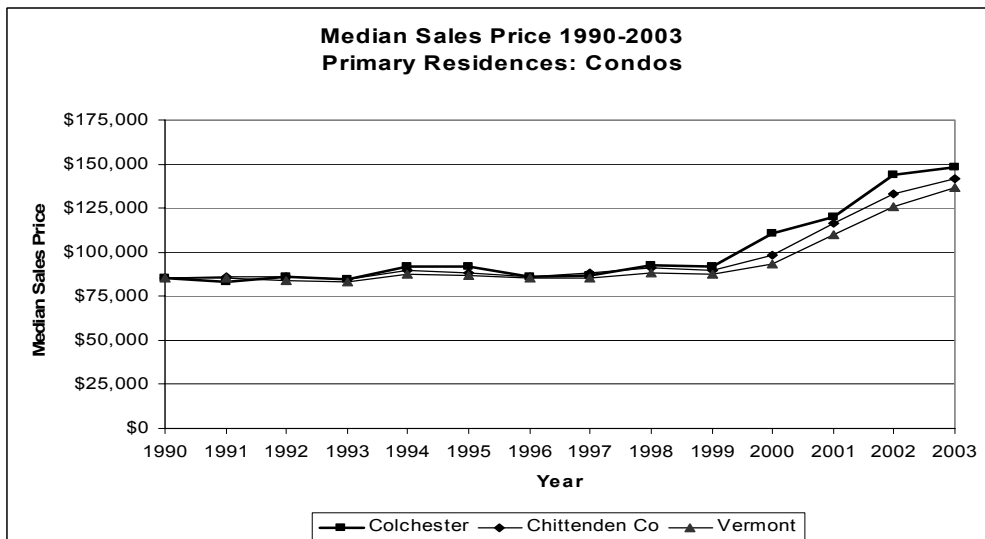
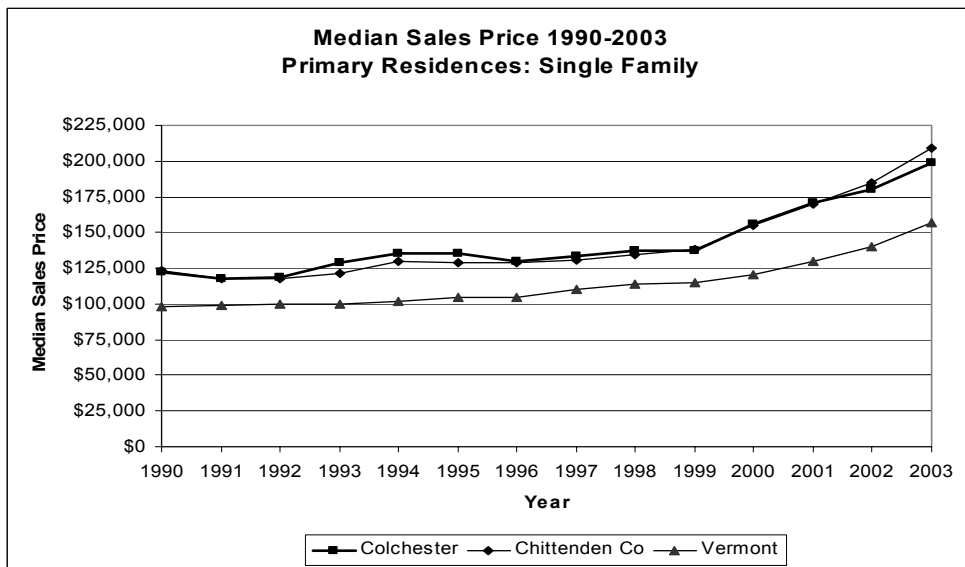
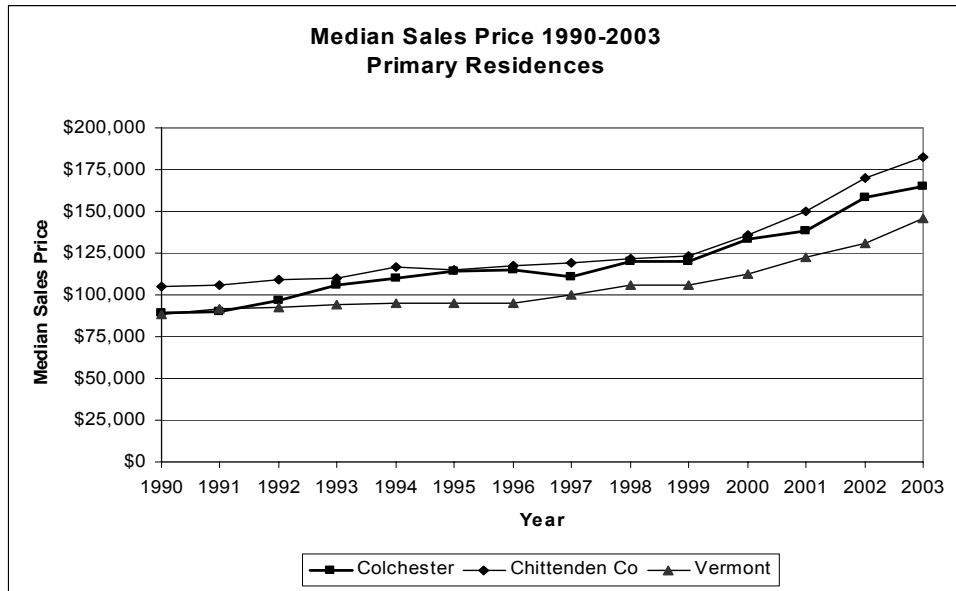


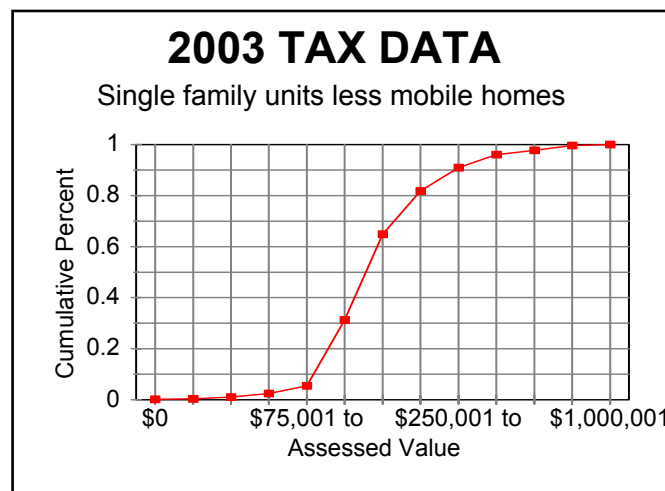
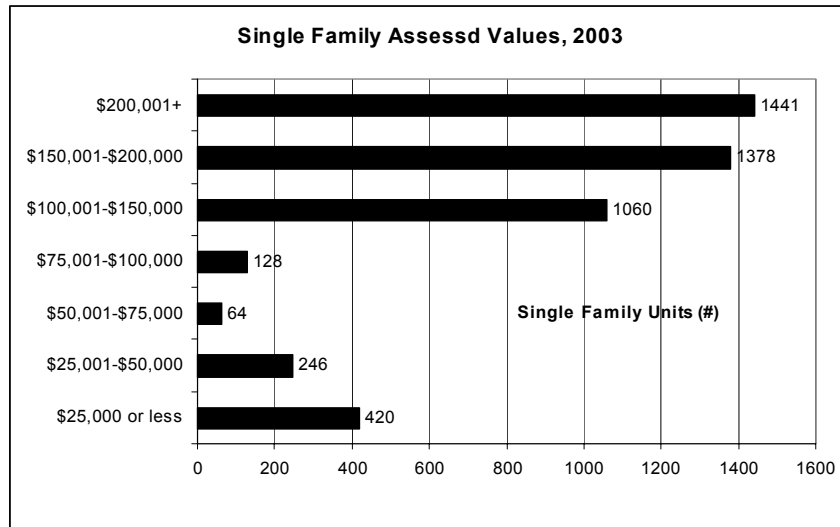
Table 15. Median Sale Price of Primary Residences, 1999-2003						
	1999	2000	2001	2002	2003	%Change 1999-03
Primary Residences						
Colchester	\$119,700	\$133,000	\$138,500	\$158,000	\$165,000	37.8
Chittenden County	\$123,500	\$135,500	\$150,000	\$169,900	\$182,457	47.7
% County	96.9	98.2	92.3	93.0	90.4	
Single Family						
Colchester	\$137,500	\$156,322	\$170,555	\$179,900	\$198,750	44.5
Chittenden County	\$138,500	\$155,000	\$170,000	\$185,250	\$209,000	50.9
% County	99.3	100.9	100.3	97.1	95.1	
Condos						
Colchester	\$92,000	\$111,000	\$120,000	\$143,700	\$147,900	60.8
Chittenden County	\$89,700	\$98,000	\$116,500	\$133,000	\$142,000	58.3
% County	102.6	113.3	103.0	108.0	104.2	
Mobile Homes						
Colchester	\$24,000	\$26,150	\$26,900	\$34,000	\$30,338	26.4
Chittenden County	\$32,000	\$30,450	\$28,650	\$34,000	\$34,259	7.1
% County	75.0	85.9	93.9	100.0	88.6	
Source: Vermont Housing Data web site (derived from VT Tax Dept. data).						

The cost of land also affects the cost of new housing. Land prices vary dramatically, based on variables such as location, available infrastructure and amenities (e.g., a waterfront location), and are therefore much more difficult to compare from sales data alone (Table 16). It appears however, from the median cost per acre, that land prices are also rising significantly, and that the cost of land in Colchester is generally higher than the county median.

Table 16. Median Sale Price of Land, 1999-2003					
	1999	2000	2001	2002	2003
Colchester	\$68,000	\$55,000	\$58,000	\$206,355	\$137,500
Cost(\$)/acre	\$23,471	\$25,446	\$50,000	\$69,767	\$48,562
Chittenden Co.	\$60,000	\$65,000	\$75,000	\$101,550	\$100,000
Cost (\$)/acre	\$12,500	\$17,339	\$21,910	\$33,974	\$34,588
Source: VT Dept. of Taxes.					

Local Assessment Data. The 2003 tax reassessment data provide a great deal of detailed and relatively current information on the assessed value of local dwelling units. Of the 4,745 year round single family units listed, 18.0% were valued under \$100,000, and 69.3% were valued at \$200,000 or less (Figure 17). The number of homes listed in the \$200,000+ category (1441), was more than twice that reported in the 2000 Census (647). For all single family dwellings, including mobile homes, the median assessed value was \$166,000.

Fig. 17 Assessed Values, 2003



In addition:

- Of the 4,745 single family dwellings listed, 646 (13.6%) were mobile homes. Of these:
 - 413 units (63.3%) had an assessed value of \$1 to \$25,000
 - 218 units (33.4%) had an assessed value of \$25,001 to \$50,000
 - 15 units (2.3%) had an assessed value of \$50,001 to \$150,000.
- Of the 40 year round single family dwellings classified as “Commercial” (note that the assessed value of these units also includes the value of any businesses on the property):
 - one unit was assessed between \$50,001 and \$75,000
 - 4 units (10%) had an assessed value of \$100,001 to \$150,000
 - 35 units were assessed at \$150,001 and above.
- There were 316 parcels containing two dwellings, for a total of 632 dwelling units:⁶
 - 282 parcels containing 564 dwellings (89.2%) were residential condominiums

⁶ For parcels containing more than one dwelling unit, the total assessed value of the parcel was divided equally among the total number of dwellings on the parcel.

- 12 units (1.9%) were owned by religious, charitable, non-profit or otherwise exempt organizations
 - 10 units (1.6%) were on farm properties
 - 2 units had an assessed value per unit of \$25,001 to \$50,000
 - 568 units (89.9%) had an assessed value per unit of \$50,001 to 150,000
 - 62 units (9.8%) had an assessed value per unit of \$150,001 to \$500,000.
- 120 dwelling units were on 40 parcels containing 3 units each; of these, 105 (87.5%) had an assessed value per unit of \$25,001 to \$150,000.
 - 92 dwelling units were on 23 parcels containing 4 units each. All of these dwellings had assessed value per unit of \$25,001 to \$105,000.
 - 72 dwelling units were on 12 parcels containing six units each. All of these dwellings had assessed value per unit of \$25,001 to \$75,000.
 - 85 dwelling units were on 10 parcels containing seven to ten units each. All of these units were classified as “commercial” and all had assessed value per unit of \$25,001 to \$75,000.
 - 791 dwelling units were located on 23 parcels containing over ten units each.
 - Of these, 148 units (18.7%) were owned by religious, charitable, or nonprofit organizations and had assessed value per unit of zero.
 - The remaining 643 units (81.3%) were classified as “commercial” and had assessed value per unit of \$1 to \$75,000.
 - 896 dwelling units are on parcels classified as “commercial”, including the 791 units noted above. These are probably rental properties, but the tax records provide no indication of tenure or of rental. Of these:
 - 800 (89.3%) were on parcels containing six or more dwellings, and all of these had assessed value per unit of \$1 to \$75,000
 - 40 units (4.5%) were single family units which had assessed values ranging from \$1 to over \$1 million
 - 18 units were in two dwelling parcels with assessed value per unit ranging from \$50,001 to \$400,000
 - 24 units were in three dwelling parcels with assessed value per unit ranging from \$50,001 to \$200,000
 - 14 units were in four and five dwelling parcels with assessed value per unit of \$50,001 to \$75,000.

From all of this one can conclude that Colchester has a housing stock that contains a substantial number of modestly priced or valued units. This reflects both the great spurt of development in the 60s and 70s, and the large number of mobile homes in town.

Mobile Home Parks

Colchester has six well-established mobile home parks in town including one – Windmere Estates – which is owned and operated by the Vermont State Housing Authority (Table 17). In 2001, Colchester’s 619 leased mobile home sites made up 33.5% of the county total, and none were then available for rent. The average rent (\$299) for a site was slightly higher than the county average.

Table 17. Colchester Mobile Home Parks							
Mobile Home Park	Year Est.	Lots			Mobile Home Ownership		Lot Rent (10/01)
		Total	Leased	Vacant	Park	Occupant/Other	
Breezy Acres MHP	1962	191	191	0	1	190	\$283
Hillcrest MHP	1965	44	44	0	0	44	\$288
Westbury Park	1972	250	245	0	4	246	\$330
Windmere Estates	1992 (Acquired)	85	84	0	1	84	\$270
Woodland Shores	1952	55	55	0	1	54	\$265
Colchester Total		625	619	0	7	618	NA
Chittenden County Total		1,864	1,850	4	32	1,824	\$270
Source: 2001 Registry of Mobile Home Parks, VT Dept. of Housing & Community Affairs, 2/2002.							

Mobile home parks are viewed by the state as a means of providing safe and sanitary affordable housing. Given the age of many parks, the lack of new park development, and limited vacancy rates statewide, retaining and improving mobile home parks have become matters of state policy.

Subsidized Rental Housing

Colchester also currently has seven housing projects (one also located in Winooski), which provide 314 units of subsidized rental housing to low income and elderly households (Table 18). These represent 8.5% of the county's total subsidized housing base.

Table 18. Colchester Subsidized Rental Housing									
Housing Development / Owner	Year First Occupied	Total Units	Bedrooms (# Units)				Features (# Units)		Rental Assistance
			0BR	1BR	2BR	3BR	Elderly Only	Wheelchair Accessible	
1302 Ethan Allen Ave Lake Champlain Housing Development Corp.	1991	23	0	10	13	0	0	1	1
1306 Ethan Allen Ave/ East Spring St ¹ Housing Vermont	1998	32	0	17	9	6	0	0	0
Arbor Gardens Phase I Arbor One	2002	37	0	13	22	2	0	4	7
CARES Housing ² Burlington Community Land Trust	1997	11	0	9	2	0	0	8	8
Holy Cross Senior Housing Housing Vermont	1997	40	0	36	4	0	40	4	0
Point School Apartments Lake Champlain Housing Development Corp.	1981	5	0	0	0	5	0	1	5
Winchester Place Housing Vermont	1989	166	0	0	158	8	0	8	0
Colchester Total		314	0	85	208	21	40	26	21
Chittenden County Total		3,707	180	1,549	1,350	448	1,220	555	2,031
Source: Directory of Affordable Rental Housing (6/30/2004). Notes: ¹ Also in Winooski. ² Housing for people with AIDS.									

Housing Affordability

According to generally accepted definitions, housing is “affordable” if a household spends no more than 30% of its gross annual household income on housing-related expenses. For homeowners, related expenses generally include mortgage (principal and interest), tax and insurance payments. For renters, housing costs include rent, utilities, and any condo or association fees. The relative affordability of housing is also determined in relation to median household income:

- “Moderate income” housing is affordable to households earning 80% to 120% of the median,
- “Low income” housing is affordable to households earning 51% to 80% of the median, and
- “Very low income” housing is affordable to households earning 50% of the median or less.

Housing is considered “affordable” if it’s affordable to households earning up to 80% of the median.

Housing Costs. As housing prices go up, so too do related housing costs – including mortgages and rents – as properties are sold on the market. From US Census data it appears that, during the 1990s, local growth in household income kept pace with rising rental costs, but not with increasing mortgages (Table 19). Median gross rents and mortgages in 1999 were very close to county medians, reflecting the influence of the regional housing market.

Table 19. Median Housing Costs, 1989-1999			
	1989	1999	% Change
Median Household Income			
Colchester	\$39,308	\$51,429	30.8
Chittenden County	\$36,877	\$47,673	29.3
Median Mortgage (Owner Occupied)			
Colchester	\$863	\$1,180	36.7
Chittenden County	\$874	\$1,201	37.4
Median Gross Rent (Rental Units)			
Colchester	\$550	\$691	25.6
Chittenden County	\$526	\$662	25.9
Source: US Census.			

In 1999, the reported average total monthly cost for local mobile home owners was \$702, compared to a county average of \$766. The average gross rent for a mobile home was \$611, compared to a county average of \$633. Local mobile home park rents increased steadily through 2001 (Table 20).

Table 20. Colchester Mobile Home Park Lot Rents, 1997–01						
	1997	1998	1999	2000	2001	% Change
Breezy Acres	\$244	\$255	\$263	\$271	\$283	16.0%
Hillcrest	\$250	\$260	\$269	\$276	\$288	15.2%
Westbury	\$302	\$310	\$320	\$320	\$330	9.3%
Windmere	\$241	\$249	\$234	\$258	\$270	12.0%
Woodland Shores	\$237	\$246	\$246	\$254	\$265	11.8%
Source: 2001 Registry of Mobile Home Parks, 2/2002.						

As noted, mobile homes are generally considered to be a more affordable type of housing, but often related costs (mortgages, rents, and fees) approach the cost of other types of housing. Nationwide, and in Vermont, the mobile home loan market is dominated by very few lenders who typically arrange

financing directly through dealers. Interest rates on these loans are substantially higher, and repayment terms are generally shorter than for stick-built housing (2001 Mobile Home Registry, VT DHCA, 2002).

Costs in Relation to Income

According to the above definitions of affordability, housing became more unaffordable for an increasing number of Colchester residents during the 1990s (Table 21). In 1989, 15% of homeowners and 28% of renters paid 30% or more of their household income on housing. By 1999, 19% of owners and 36% of renters were paying 30% or more (compared with 21% of county homeowners and 42% of renters).

Table 21. Cost Burden, 1989-99				
	Households		Change	
	1989	1999	(#)	(%)
Households w/ Mortgage	2488	3412	924	37.1
30+% HH Income	381	662	281	73.8
35+% HH Income	202	398	196	97.0
Households w/Rent	1475	1736	261	17.7
30+% HH Income	413	624	211	51.1
35+% HH Income	324	507	183	56.5
Source: US Census (STF3 Sample Data).				

As expected, housing in 1999 was less affordable to the town's lower income households:

Table 22. Cost Burden by Income Category, 1999	
Household Income	% Households Spending 30+% Income on Housing
Less than \$10,000	84.1%
\$10,000-\$19,000	66.0%
\$20,000-\$34,999	52.7%
\$35,000 to \$49,000	41.9%
\$50,000 to \$74,999	16.4%
\$75,000+	1.4%
Source: US Census (SF3 sample data).	

In 1989, 28% of owner-occupied dwellings were affordable to households earning 100% of the median household income. In 1999, this increased to 39% of owner-occupied dwellings. On the other hand, in 1989, 90% of renter-occupied dwellings were affordable to households with incomes of 100% of the median but, by 1999, only 85% of renter-occupied dwellings were affordable to such households.

A more specific breakdown of housing affordability for Colchester, as derived from a HUD analysis of 2000 US Census data, is presented in Table 23. These special tabulation data (typically referred to as "CHAS Data") are used by local governments for housing planning as part of a consolidated planning process required for the distribution of federal funds (e.g., Community Block Grants).

Table 23. Colchester Housing Problems (CHAS 2000 Data)

	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(L)
1. Household Income <=50% MFI	50	285	10	175	520	199	73	40	79	391	911
2. Household Income <=30% MFI	20	160	0	50	230	89	28	30	29	176	406
3. % with any housing problems	50	100	N/A	80	91.3	88.8	64.3	66.7	65.5	77.3	85.2
4. % Cost Burden >30%	50	100	N/A	80	91.3	88.8	64.3	66.7	65.5	77.3	85.2
5. % Cost Burden >50%	50	87.5	N/A	60	78.3	73	50	33.3	65.5	61.4	70.9
6. Household Income >30% to <=50% MFI	30	125	10	125	290	110	45	10	50	215	505
7. % with any housing problems	66.7	84	100	92	86.2	68.2	55.6	0	30	53.5	72.3
8. % Cost Burden >30%	66.7	84	0	92	82.8	68.2	55.6	0	30	53.5	70.3
9. % Cost Burden >50%	33.3	36	0	56	43.1	27.3	0	0	30	20.9	33.7
10. Household Income >50 to <=80% MFI	20	215	20	215	470	163	330	20	155	668	1,138
11. % with any housing problems	50	23.3	50	41.9	34	36.2	48.5	0	32.3	40.3	37.7
12. % Cost Burden >30%	50	14	0	41.9	27.7	36.2	48.5	0	32.3	40.3	35.1
13. % Cost Burden >50%	0	0	0	0	0	24.5	12.1	0	6.5	13.5	7.9
14. Household Income >80% MFI	20	330	25	434	809	305	2,158	300	534	3,297	4,106
15. % with any housing problems	0	3	0	0.9	1.7	6.6	11.5	21.7	12	12	10
16. % Cost Burden >30%	0	3	0	0.9	1.7	6.6	11.1	8.3	12	10.6	8.8
17. % Cost Burden >50%	0	0	0	0	0	0	0	0	0	0	0
18. Total Households	90	830	55	824	1,799	667	2,561	360	768	4,356	6,155
19. % with any housing problems	44.4	39.2	36.4	30.2	35.2	34.9	17.6	23.6	19.3	21.1	25.2
20. % Cost Burden >30%	44.4	36.7	0	30.2	33	34.9	17.3	12.5	19.3	19.9	23.8
21. % Cost Burden >50%	22.2	22.3	0	12.1	17	20.2	2.1	2.8	5.7	5.6	8.9

Source: US Dept. of Housing and Urban Development, SOCDS CHAS 2000 Data: Housing Problems Output for All Households for Colchester Town, Vermont.

According to these data, 911 (14.5%) of Colchester households in 1999 had incomes that were less than or equal to the HUD median family income. Cost burden was the principal housing problem identified locally, affecting 23.8% of all households – including 33% of renters and 19.9% of homeowners. Cost burden was especially a problem for Colchester’s elderly, very low and low income households:

- 273 (36%) of elderly households (44% of renters and 35% of homeowners),
- 346 (85.2%) households within incomes \leq 30% of the median family income,
- 355 (70.3%) households with incomes $>30\%$ to 50% of the median, and
- 399 (35.1%) households with incomes $>50\%$ but \leq to 80% of the median.

The relative cost burden in each of these categories was higher for renters than for homeowners.

More recent indicators of affordability for Colchester are also based on federal estimates developed annually by the Department of Housing and Urban Development for the Burlington Metropolitan Statistical Area (MSA), which includes Colchester and much of the rest of Chittenden County. These annual estimates are used by housing providers and state agencies to determine eligibility for a variety of publicly-supported housing and funding programs.

First-time Homebuyers

Current (2004) HUD income estimates that apply to Colchester are presented in Table 24. This also includes an estimate of the maximum sale price a first-time homebuyer could afford for each income category (assuming a 30-year fixed rate mortgage at 5.5%, with 5% down), and the percentage of homes currently assessed by the town at or below that price level. At the 2004 HUD Median, 84% of local units would be considered affordable.

Table 24. Homeowner Affordability			
	Income	Maximum Sales Price	% Listed Units
Median Family Income (family of four):	\$68,800	\$255,453	84%
Moderate Income (120%)	\$82,560	\$306,544	92%
Low Income (80%)	\$55,040	\$204,362	71%
Very Low Income (50%)	\$34,400	\$127,727	31%

Renters

Less information is available regarding current rental rates in town.⁷ The income required to afford current (2004) fair market rents, as estimated by HUD for the Burlington MSA, is presented in as follows:

Table 25. Renter Affordability		
Rental Type	Fair Market Rent	Required Income
0-bedroom unit	\$521	\$20,840
1-bedroom unit	\$638	\$26,552
2-bedroom unit	\$850	\$34,000
3-bedroom unit	\$1159	\$46,360
4-bedroom unit	\$1400	\$56,000

Regional rental rates appear to be generally affordable for most low to moderate income households, but are not affordable for very low income households. This typically includes elderly households on fixed incomes, and households with only one wage earner. As noted, many service industry jobs do not pay a “housing wage,” as required to afford a two-bedroom unit, which for 2004 was \$16.35/hour.

⁷ Information on local rental rates has been requested from the town’s consultant, but has not yet been received.

Summary of Findings

Population

- Following a period of very rapid growth and development during the 1960s, Colchester's population has continued to grow steadily, albeit at a declining rate. The rate of growth, however, has consistently exceeded that of the county. As a result, Colchester's share of the county's total population has increased over time. In 2000:
 - Colchester was ranked 3rd in population in the county and 4th in the state.
 - The town's year-round population comprised 11.6% of the county total.
- According to 2003 U.S. Census population estimates, Colchester now ranks 3rd in the state in population, behind only the City of Burlington and the Town (and Village) of Essex.
- The majority of Colchester's population growth during the 1960s and 1970s resulted from people moving to town (in-migration). During the last two decades, the majority of growth resulted from a natural increase in the local population (births exceeding deaths). Even so, during the 1990s, 38% of Colchester's population increase was due to an influx of new residents.
- During the 1990s, Colchester was very much part of the regional economy and housing market. As reported in 2000, 48% of local residents had moved to their current residence within the past five years; of those, 51% had moved from within Chittenden County. Also, 98% of Colchester commuters reportedly worked within Chittenden County (including 23% that worked in town).
- Colchester's population is aging, following regional and national trends. Younger housing age groups (15-24, 25-34) saw relative declines in population during the 1990s, while the population in older age groups increased with the aging baby boom generation. During the 1990s, the major increase was in the 35-54 year group – those most likely to “buy up” or renovate their existing homes – which likely increased the demand for high-end housing. Shifts in the town's demographic profile suggest that local demand may increase for rental units and starter homes as “echo boomers” enter the housing market; and for smaller apartment or condominium units and senior housing, for a growing number of “empty nesters” and retiring baby boomers.
- Some Colchester residents – including seniors, disabled and lower income residents – may have special housing needs. In 2000, 6.4% of the population was 65 years or older; 6.3 % of local residents, 5.4% of families, and 9.7% of seniors lived below the poverty line; and 11.4% of working aged residents (21-64 years) and 32.9% of the elderly reported a disability.
- Available population projections anticipate that Colchester's population will increase by an additional 1,400 to 3,000 residents by 2010. At the current estimated rate of growth through 2003 (around 150 persons per year) the local population will increase by about 1,500 persons by 2010. Given regional growth trends, however, this may be higher.

Employment

- Population growth, particularly at the regional level, is often driven by employment growth. Colchester has shared in regional job growth over the last twenty-five years, almost quadrupling its employment base between 1978 and 2003. In 2003, Colchester's 8,734 jobs accounted for 9.3% of the county total.

- Locally, job growth within the private sector has accounted for nearly all of the increase in employment. This has been driven by increases in service sector jobs, especially in the areas of education and health, retail trade, and professional and business services.
- Local wages – a primary source of household income – also have shown gains, but have not yet caught up to the county average. In 2003, local jobs paid an average annual wage of \$35,261 – 94% of the county average.
- Jobs in retail, hospitality and education and health services do not, on average, pay a “housing wage” – the estimated income needed to afford a modest two-bedroom apartment.

Households

- Colchester’s household population – which excludes those living in group or institutional housing – has increased slightly in relation to overall population growth, but has generally represented about 90% of the town’s total population over the past twenty years. College students living in dormitories (and nursing home residents prior to 2000) have made up the remaining 10%.
- The number of households in town has grown at a faster rate than the town’s total and household populations, due largely to an ongoing decrease in the average household size. By 2000, there were 6,144 households in town, averaging 2.5 persons per household (2.64 for owner-occupied and 2.17 for renter-occupied households). Renter households made up 29.1% of the total.
- Colchester’s households are changing in relation to changing demographics and available housing options. Most local households are family households, related by blood, marriage or adoption. However, non-family households grew by 31% during the 1990s, and by 2000 outnumbered “traditional” family households (married couples with children).
- Household sizes are also changing. Single- and two-person households showed the greatest increases in number during the 1990s, and by 2000 made up 56% of total households.
- The median household income reported for Colchester has been consistently higher than county and state medians for several decades. The 1999 reported median, \$51,429, was 8% higher than the county median, and 26% higher than the state median.
- In 2000, 15.7% of households reported receiving social security income, averaging \$11,396, and 13.7% reported receiving other retirement income, averaging \$14,250. Only 2.9% reported receiving public assistance.
- Based on available population projections, and assuming a constant average household size, growth in the town’s household population will result in the formation of between 420 and 1,020 new households by 2010 – resulting in the need for a similar number of year-round dwelling units. Given decreasing household sizes, the demand for housing may be higher. This demand will largely be met through new construction locally or elsewhere in the region, and to a lesser extent through the establishment of accessory units and the ongoing conversion of seasonal to year-round units.

Housing Stock

- Colchester went through a period of rapid housing development during the 1960s when the local housing stock increased by an average of 243 new units per year. The growth rate has been declining ever since, but has been consistently higher than that of the county. By 2000:
 - Colchester ranked 3rd in the county for total housing units, behind Burlington and Essex.
 - The town's total housing stock (6,727 units), made up 11.4% of the county total.
- According to US Census data, the number of seasonal homes in town has declined. This is at least in part the result of conversions to year-round use. If the total drop in seasonal units during the 1990s was entirely the result of conversions, this would have accounted for around 8% of the increase in year-round housing.
- In 2000, 69% of year-round units were owner-occupied (up from 66% in 1990) and 29% were renter-occupied (up from 28%).
- Vacancy rates fell during the 1990s, reflecting a tightening housing market for renters and buyers. In 2000 there were reportedly 57 vacant units for sale or rent in Colchester, representing 10.4% of the county total. The reported 2000 rental vacancy rate for Colchester (2.0%) was slightly higher than that for the county (1.8%). The buyer vacancy rate (0.5%) was the same. These vacancy rates are indicative of a regional housing shortage – a seller's market – that has driven housing costs upward.
- Colchester's housing stock is still made up largely of detached, single family homes. According to 2000 census data, these made up 58.6% of the local housing stock. During the 1990s, it appears that the number of duplexes decreased slightly, but the number of smaller multi-family units (structures with 3 to 9 units) increased. Of particular note, the number of mobile homes reportedly declined, from 727 in 1990 to 595 in 2000.
- As expected, single family homes were largely occupied by owners, while multi-family units were more often occupied by renters.
- There is little current information on the condition of Colchester's housing stock. Census indicators (age, plumbing and kitchen facilities, occupants per room) suggest that local housing stock is in good condition. Overcrowding (units with more than one occupant per room) increased slightly – from 60 units in 1990 to 113 in 2000 – possibly associated with the increase in non-family households, and/or rising housing costs.
- According to local permit data, an average of 88 new dwelling units were permitted annually between 2000 and 2003, which would bring the census total to 6,523 year-round units. This is very close to the total number of year-round units identified from the town's 2003 reassessment data: 6,556 (within 0.5%). Of the 6,556 dwelling units identified:
 - 4,745 (72.4%) were single family dwellings,
 - 646 (9.9%) were mobile homes, including 628 on leased land and 18 on owned land,
 - 752 (11.5%) were residential condominiums, and
 - 896 (13.7%) were classified as "commercial," and as such were probably rental units.

In addition:

- 177 dwelling units were on parcels owned by religious, charitable or other exempt organizations (all but one was owned by St. Michael's College),
 - 148 of the 177 units were on parcels containing more than 10 units.
- According to 2000 Census data, local housing values increased by 1.5% annually during the 1990s. By 1999 the reported median value of a house in Colchester (based on homeowner estimates) was \$141,300 – compared with the county median of \$139,000. Nearly 80% of homes in 1999 were valued below \$200,000.
- The 2000 Census median was within 5% of the reported 1999 median sale price for a single family dwelling in Colchester (\$137,500). Sales data indicate that, since 1999, housing prices have increased markedly for all types of housing – and particularly for condo units. This is likely the result of the tight housing market and low mortgage interest rates. Local sale prices are closely tracking regional trends.
- According to the town's 2003 reassessment data, the median assessed value of single family homes in Colchester, including mobile homes, was \$166,000. For single family homes, 18% were valued under \$100,000 and 69.3% were valued at \$200,000 or less. This indicates that Colchester's housing stock includes a substantial number of modestly priced or valued units and reflects both the great spurt of development in the 1960s and 1970s, and the large number of mobile homes in town. Anecdotal evidence suggests that relatively few modestly priced dwellings have been built in Colchester in recent years, and that few are currently planned.
- Colchester has six well-established mobile home parks which include 619 leased sites, representing 33.5% of the county total. Such parks, however, are vulnerable to decisions of the land owners to redevelop. One – Windmere Estates – is currently owned by the Vermont State Housing Authority.
- Colchester also has seven housing projects that provide 314 units of subsidized rental housing, representing 8.5% of the county total. Of these, 40 (12.7%) are specifically for seniors (Holy Cross Senior Housing), and eight are for AIDs patients.

Housing Affordability

- From 2000 Census data, it appears that household incomes kept pace with rising rental rates, but not increasing homeowner costs. During the 1990s, housing became increasingly less affordable for more Colchester residents. In 1989, 15% of homeowners and 28% of renters paid 30% or more of their household income in housing costs. By 1999, 19% of homeowners and 36% of renters were paying 30% or more. As expected, the cost burden was greater for lower income groups.
- According to 2003 reassessment data, 84% of Colchester's housing units would be affordable to those earning the 2004 HUD estimated median income for a family of four within the Burlington MSA.
- The basic challenge for Colchester appears to be four-fold: 1) The town must continue to accommodate a reasonable amount of population and housing growth. 2) The town needs to protect existing modestly priced housing and provide for quality housing for households of modest income. 3) The town must work to ensure that future housing construction includes a reasonable portion of modestly priced units. 4) These objectives must be accomplished in a manner that does not compromise existing property values or overly burden the local tax base.

Reports Reviewed:

Between a Rock and a Hard Place: Housing and Wages in Vermont (2004 Update)

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Chittenden County Housing Demand Analysis (1998). Prepared by Planning Decisions Inc. for the Vermont Housing Council, 1998.

Economic and Demographic Forecast: Demographic Update for Chittenden County 2000 to 2035

(June 2001). Prepared for the Chittenden County Regional Planning Commission and Metropolitan Planning Organization by Economic & Policy Resources, Inc, June 2001.

Housing in Northwestern Vermont: A Review of Demand and Supply of Housing in the Six County

Region (August 2000). Prepared by Economic & Policy Resources Inc. and Thomas E. Kavet Consulting, for the Vermont Housing Council, August 15, 2000.

Spatial Mismatch: The Location of Low Wage Jobs and Affordable Housing in Chittenden County

(November 2001). Elaine McCrate, UVM Dept. of Economics, UVM Community Outreach Partnership Center.

Unlocking Housing Opportunities: Strategies for Increasing the Supply of Housing in Chittenden

County (September 2002). Chittenden County Regional Planning Commission Housing Task Force, September 2002.